



Medical Device Trade Mission to China

April 19-23, 2004

Mission Statement

Mission Description

Assistant Secretary of Commerce Linda M. Conlin will lead a medical device trade mission to Beijing and Chengdu, China, from April 19 to 23, 2004. The mission will include representatives of U.S. medical and dental equipment and supply firms interested in entering or expanding existing business in the Chinese market. Following the mission, participating firms may further leverage their presence in China by electing optional visits to Shanghai, Guangzhou, or Hong Kong for additional business meetings under the U.S. Commercial Service's *Gold Key Service*. The mission is also open to representatives of U.S. medical device and dental equipment trade associations.

Commercial Setting

The United States is the leading exporter of medical devices to China, accounting for over one third of the country's medical device imports. Between 1999 and 2002, U.S. medical device exports to China (not including Hong Kong) rose from \$204 million to \$350 million. In the first six months of 2003 alone, U.S. medical device exports to China totaled \$228 million, up 48.6 percent over the equivalent period of 2002. U.S. exports to Hong Kong, which serves as a distribution hub for sales to the rest of China, remain strong, rising from \$215 million in 1999 to \$274 million in 2002. U.S. exports to Hong Kong in the first half of 2003 rose 17 percent over the first half of 2002.

Because of the strong demand for medical devices in China, U.S. medical exporters increasingly perceive short-term sales opportunities and a long-term strategic imperative to establish a market presence in China. However, business in China poses tough challenges, especially for the small/mid-sized

companies that comprise the bulk of the U.S. medical device industry. Although tariffs will be reduced to 3.9 percent by January 1, 2005, local procurement policies, test requirements, protection of intellectual property, rules on types of business activity which foreign firms may conduct, and product registration remain nettlesome, making good connections inside China a prerequisite for business success. As a result, there appears great value in the kind of introductions that the Commerce Department can provide through an official trade mission.

Mission Goals

The objective of this trade mission is to introduce U.S. companies to government officials responsible for medical regulations and healthcare, public and private hospital buying agents, and other potential business partners. The mission will focus on identifying opportunities for sales of medical and dental devices, clinical laboratory products and related supplies. The mission will additionally seek to acquaint U.S. medical device and dental equipment trade associations with market opportunities in China so as to facilitate their ability to disseminate this information to their members.

Mission Scenario

Participants will visit two of China's metropolitan centers:

Beijing—The capital, where the mission will have access to a major municipal market as well as central government officials and U.S. Embassy staff for regulatory and business climate briefings; and

Chengdu—Capital of vast Szechwan province and gateway to 200 million people in Southwest

China, as well as the vast population of western China.

Following the mission, for an extra fee, participants can elect to visit the coastal commercial centers of *Shanghai*, and/or *Guangzhou* for optional *Gold Key Service* meetings arranged by the U.S. Commercial Service. Participants may also elect to visit *Hong Kong*, which is a key hub for distribution to the mainland and a major market in its own right. Participants will be briefed on local medical markets in each city visited. Briefings will be followed by meetings with government regulatory officials and experts on the local healthcare market and the Chinese medical industry. Participating U.S. firms will be introduced to potential agents/distributors, hospital administrators, and medical facilities' purchasing managers through group events, site visits, and one-on-one meetings tailored to each firm's interests.

Timetable

Recruitment will begin in August 2003 and should be concluded no later than February 13, 2004. Applications received after that date will be considered only if space and scheduling constraints permit. The trade mission is tentatively scheduled to commence in Beijing on April 19, 2004, continue on to Chengdu on April 21, where the main mission program will conclude on April 23. Firms electing Gold Key Service spin-off visits to Shanghai, Guangzhou, or Hong Kong may then do so from April 26–30. The precise schedule will depend on the availability of Chinese government and business officials, specific goals of mission participants, and air travel schedules.

Criteria for Participant Selection

- Diversity of product mix among participating companies, and the relevance of these products to mission goals.
- Product offerings that represent the advanced medical technologies in which the United States excels.

- Business opportunities for the company in China.
- Maximum of 20 and a desired minimum of 6 participating companies.
- Timeliness of complete application and participation agreement, including payment of all applicable participation fees (\$2,600 for a company's first representative and \$800 per each additional representative; and \$800 for each representative of a trade association).
- Provision of adequate information on company's products/services and primary market objectives, in order to facilitate appropriate matching with potential business partners.

Mission recruitment will be conducted in an open and public manner, including publication in the *Federal Register*, posting on the Internet, press releases to the general and trade media, direct mail and broadcast fax, notices by industry trade associations and other multiplier groups, and at industry meetings, symposiums, conferences, and trade shows.

A company's products or services must be either produced in the United States or, if not, marketed under the name of a U.S. firm and have at least 51 percent U.S. content of the value of the finished product or service. Any partisan political activities (including political contributions) of an applicant are irrelevant to the selection process.

Contact

Mr. Jay Biggs
ITA/OMMI Room 1015
U.S. Department of Commerce
Washington, DC 20230
Tel: 202-482-4431
Fax: 202-482-0975
E-Mail: jay_biggs@ita.doc.gov

Or

Ms. Lisa C. Huot
ITA/OMMI Room 1015
U.S. Department of Commerce
Washington, DC 20230

Tel: 202-482-2796

Fax: 202-482-0975

E-Mail: Lisa_Huot@ita.doc.gov